manufactured indigenously and that customs duty on raw materials/components required for the manufacture of such equipment should also be reduced to zero in order to encourage their local manufacture. Alternatively, indigenously manufactured equipment may be exempted from excise duty and deemed export status may be given to indigenous equipment manufacturers. Further, facility of concessional customs duty may be given only to those companies which have been duly licensed by DOT.

These recommendations were taken into consideration. Accordingly, basic customs duty on specified telecom equipment listed in notification 51/97—Cus. dated 2.6.97 was reduced to 20%. These equipment were also exempted from additional duty of customs. Request for reduction of customs duties on raw materials/components of telecom equipment specified in the afore-mentioned notification is under consideration.

Collapse of CRB Group

727. SHRI GURUDAS DAS GUPTA:
SHRI GAYA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn into the collapse of CRB Group;

(b) if so, the details thereof; and

(c) what action has been taken to see that the hard-earned investments of the small investors are protected?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The main activities of CRB Capital Markets Ltd. were hire purchase, leasing finance and merchant banking. A complaint was received in December, 1996 by RBI from Tourism Finance Corporation of India Ltd. regarding default of repayment of deposits by CRB Capital Markets Ltd. Global Trust Bank Ltd. has also reported to RBI in March, 1997 about development of Letter of Credit opened by a group Company. Further, the company fraudulently overdrew its accounts with the State Bank of India, Mumbai main Branch (MMB) for payment of interest warrants, deposit refunds and brokarage warrant by an amount of over Rs. 58 crores. Keeping in view the findings of the inspection carried out between November, 1996 to January, 1997 and the subsequent developments, especially relating to the SBI, the RBI issued prohibitory orders on April, 1997 under Section 45MB(1) &(2) of RBI Act directing the company not to accept any further deposits and not to alienate any assets without prior permission of RBI. The RBI filed a winding up petition in the Delhi High Court under Section 45 MC of the RBI Act on 21.5.97. A provisional Liquidator has been appointed by the Delhi High Court.

The developments relating to CRB Capital Markets Ltd. have been reviewed by the Government in a number of meetings. Government has asked the regulators, i.e. RBI and SEBI to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected. Government has also advised the State Bank of India to ascertain whether there was any internal failure to act on early warning signals emanating from the defaults in the payment arrangements with CRB capital Markets Ltd. At the operative level an inter-departmental group comprising representatives of CBI, RBI, SBI and State Government has been constituted to ensure concerted action. RBI has also issued detailed instructions to banks prescribing the procedural safeguards to be taken into account while providing "at par" payment facilities to companies.

(c) The provisional Liquidator has initiated steps to crystalise the assets and liabilities of the Company. The issue of settlement of claims of creditors is subjudice and would proceed as per the provisions of law and directions of the Delhi High Court.

Features of VDIS

728. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have launched a

new Voluntary Disclosure of Income Scheme (VDIS) offering more concessions to the tax-evaders than its predecessors;

(b) if so, the salient features of the new scheme;

(c) whether it is a fact that the earlier scheme was a failure in meeting its objective of unearthing black money; and

(d) if so, how the new scheme is expected to be successful?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The Voluntary Disclosure of Income Scheme, 1997 came into force from 1.7.1997 and will last till 31.12.1997. Under the Scheme, a person can make disclosure of undisclosed income and the rate of tax applicable is 35 per cent in the case of companies and firms and 30 per cent in the case of others. Disclosure of wealth is not permissible. The Scheme provides that declarations shall be filed only before the Commissioners of Income-tax and strict confidentiality would be maintained in respect of the declarants. It grants immunity to the declarant from penalty and prosecution under various Acts. The immunity in respect of FERA provided is broadly similar to the immunity granted under the Remittances in Foreign Exchange (Immunities) Scheme, 1991. The Scheme does not allow declaration of incomes of the previous year in which search has been initiated or for any earlier previous year. The benefit is also not available in relation to income of the previous years in which survey has been carried out.

The secrecy and immunity provisions of the voluntary disclosure of income scheme shall not apply to—

(i) to any person in respect of whom an order of detention has been made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 in certain circumstances;

(ii) in relation to prosecution for any offence punishable under Chapter IX or Chapter XVII of the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Terrorists and Disruptive Activities (Prevention) Act, 1987, the Prevention of Corruption Act, 1988 or for the purpose of enforcement of any civil liability;

(iii) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transaction in Securities) Act, 1992.

(c) and (d) The Government was successful in mopping up a substantial amount of black money during the course of earlier schemes announced. The present scheme also seeks to harness a substantial amount of Black Money for productive purposes.

Proposal for Entry of Private Sector into Insurance Sector

729. SHRI J. CHITHARANJAN:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering a proposal to allow private sector entry, both foreign and indigenous into the insurance sector; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Under the existing Laws, the Life Insurance and General Insurance business are exclusive privileges of Life Insurance Corporation of India (LIC); and General Insurance Corporation of India (GIC) and its four subsidiaries respectively. Keeping in view the Common Minimum Programme, the intention of the Government has been announced in the Budget Speech, to allow LIC to enter into Joint Venture in the pensions business and to allow Unit Trust of India (UTI) to expand its Retirement Benefit Plan into a full-fledged pension fund which will compete with LIC's pension fund. GIC and its subsidiaries will also be allowed to float joint ventures in Health Sector. A few Indain Companies, i.e. Indian controlled and with majority Indian ownership will be permitted to